

BOARD OF DIRECTORS

Bryan Dixon
(Managing Director)
Alan Thom
(Executive Director)
Milan Jerkovic
(Non-Executive Chairman)
Greg Miles
(Non-Executive Director)
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(Non-Executive Director)

ASX CODE
BLK

**CORPORATE
INFORMATION**
255.3M Ordinary Shares
33.8M Unlisted Options
6.5M Performance Rights

www.blackhamresources.com.au
info@blackhamresources.com.au

P: +61 8 9322 6418
F: +61 8 9322 6398

ABN: 18 119 887 606

**PRINCIPAL AND
REGISTERED OFFICE**
Blackham Resources Ltd
L2, 38 Richardson Street
West Perth WA 6005

POSTAL ADDRESS
PO Box 1412
West Perth WA 6872

QUARTERLY REPORT
June 2016

The Board of Blackham Resources Limited ('Blackham' or 'the Company') is pleased to provide an update on its activities for the quarter ended 30 June 2016 and thereafter.

HIGHLIGHTS INCLUDE:

- **Gold production targeted for late August/early September**
 - **Matilda open pit mining commenced**
 - **Underground development has commenced at Golden Age**
 - **Gold plant wet commissioning on track for August**
- **Current Mineral Inventory of 9.3Mt @ 2.9g/t for 873,000oz Au**
 - **106,000oz added to the mine plan since February**
 - **Reserves now total 560,000oz**
 - **Initial Wiluna open pit mining studies are positive**
- **Large gold resource 48Mt @ 3.3g/t for 5.1Moz (48% indicated) including:**
 - **New resources identified on Moonlight Shear**
 - **Upgraded resources for Matilda, Galaxy, Golden Age and Bulletin**
- **Drilling success included:**
 - **High grade Essex, Squib and West Lode mineralisation**
 - **Further Bulletin extensions**
 - **Extensions to Matilda M4 and M6 mineralisation**
- **Exploration targeting work completed at Matilda and Lake Way**

Corporate

- **\$32m in cash at the end of the financial year**
- **\$15M project facility drawn down during quarter**
- **\$8 million undrawn project facility**
- **Hedging – forwards 20,000oz @ A\$1,701/oz**

Matilda Gold Project, Western Australia

Blackham Resources Ltd has commenced open pit mining and underground development work at the Company's Matilda Gold Project. Blackham's open pit contractor, MACA Ltd has mobilised the initial mining fleet and commenced mining operations at the Matilda M10 open pit. Pybar Mining Services Ltd has also commenced underground development at the high grade golden Age orebody.

The commencement of wet commissioning of the Wiluna processing plant is on track to commence in August 2016.

The Matilda Gold Project is located in Australia's largest gold belt which stretches from Norseman through Kalgoorlie to Wiluna. Blackham's 100% owned Wiluna gold plant is located in the centre of the Matilda Gold Project and can process up to 1.7Mtpa or ~100,000ozpa as indicated by the recently published definitive feasibility study (DFS). The expanded Matilda Gold Project now includes JORC 2012 Measured, Indicated and Inferred Resources of **48Mt @ 3.3g/t for 5.1Moz Au** (refer to ASX release 27th June 2016) within a 860km² exploration tenement package and has historically produced in excess of 4.3 million ounces.



Photo 1: Matilda M10 mining has commenced

Blackham is initially focused on the free-milling resources which it intends to process through the established low risk circuit of crushing, grinding, gravity and carbon in leach. The free-milling open pit Matilda deposits are planned to provide a base load feed stock for the Wiluna gold plant which will be supplemented by the high grade quartz reef deposits and shallow underground deposits.

Table 1: Quality of Mine Plan and Economics continue to improve

	DFS	Revised Mine Plan
Mining Inventory¹	8.3Mt @ 2.9g/t for 767,000oz	9.3Mt @ 2.9g/t for 873,000oz
Reserves¹	6.1Mt @ 2.5g/t for 481,000oz	7.0Mt @ 2.5g/t for 560,000oz
Initial Life of Mine	7.3 years	8.3 years
Average Annual Production²	101,000ozpa	103,000ozpa
C1 Cash Costs³	A\$850/oz	A\$800/oz
ASIC Costs⁴	A\$1,160/oz	A\$1,120/oz

1) at A\$1,600/oz

2) Average production over the first 5 years

3) C1 Cash Costs include all mining, processing and general & administration costs over the first 5 years

4) ASIC includes C1 Cash Costs plus royalties, refining cost, sustaining capital over the first 5 years

Cautionary Statement

Blackham has concluded it has reasonable basis for providing the forward looking statements included in this announcement (see ASX Announcement 24 February 2016 - Appendix 1). The detailed reasons for that conclusion are outlined throughout this announcement and Material Assumptions are disclosed in ASX Announcement 24 February 2016 - Appendix 2. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the DFS results, Production Targets and Forecast Financial Information contained in this announcement are based on detailed technical and economic assessments but are insufficient to support the estimation of Ore Reserves over all of the Production Targets particularly at the back of the mine plan. There is a lower level of geological confidence associated with Inferred Mineral Resources used in this report and there is generally no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. Blackham over the last year has, however, demonstrated a high conversion of Inferred Resources into Reserves.

Blackham continues to grow the mine life rapidly which may allow for an expanded operation to better monetarise the large 5.1Moz resource base.

The Project's robust economics are reinforced by imminent production, low capital cost, fast payback and operating costs that are in line with its Western Australian peers.

Reserves

Mining studies based on resources reported in the ASX announcement dated 17th June 2016 were completed for the Golden Age Underground, Matilda, Galaxy and Williamson open pit mines. Only the Measured and Indicated portions of the Mineral Resource were used to estimate the Ore Reserve with all Inferred material set to waste. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource material.

Table 2: Matilda Gold Project Reserves June 2016

Mine	Category	Tonnes	Mined g/t	Reserve Oz
Matilda Mine	Proven	195,000	1.9	12,000
Matilda Mine	Probable	3,297,000	1.8	192,000
Golden Age	Probable	112,000	6.0	21,000
Galaxy	Probable	338,000	2.8	30,000
Williamson	Probable	1,517,000	1.4	69,000
Bulletin Sulphides	Probable	938,000	4.7	142,000
East-West Sulphides	Probable	516,000	5.2	87,000
Stockpiles	Probable	124,000	1.7	7,000
Total Proven Reserves		195,000	1.9	12,000
Total Probable Reserves		6,842,000	2.5	548,000
Total Reserves		7,037,000	2.5	560,000

Calculations have been rounded to the nearest 1,000 t of ore, 0. 1 g/t Au grade and 1,000 oz. Au metal.

Open Pit Mining Inventory and Reserves

The open pit mine plan comprises **5.8Mt @ 1.7g/t for 324,000oz** (including stockpiles) of shallow free milling ore to be mined over the first 4 years of which only 14,000oz (approx 4%) are classified as Inferred Resources. The open pit Reserves comprise 5.5Mt @ 1.8g/t for 310,000oz (refer to ASX release 17th June 2016).

Table 3: Open Pit physicals and Costs

Open Pit Mining Data		LOM
Ore Mined – Surface	Tonnes	5,735,000
Waste Mined - Surface	Tonnes	53,020,000
Ore Mined – Surface	BCM	2,440,000
Waste Mined - Surface	BCM	24,260,000
Strip Ratio	(BCM / BCM)	9.9
Mining cost	\$/BCM material	5.80
Mining cost	\$/t material	2.60



Photo 2: Matilda M10 Grade Control

Open cut operations are based on using 250t-class excavators and 140t dump trucks for waste excavation where working area sizes allow and 120t-class excavators with 90t dump trucks for ore excavation and in cutback benches or deeper parts of the pits where working room is restricted. Fleet equipment types assumed have been confirmed in a detailed contract tendering process based on the Reserve pit designs.

Blackham has now commenced mining at the Matilda M10 Pit. No previous mining has been undertaken on the M10 deposit which allows for mining of soft ore starting close to surface. The M10 pit is 450m long with a final pit depth 90m from surface. The M10 pit design is shown in Figure1.

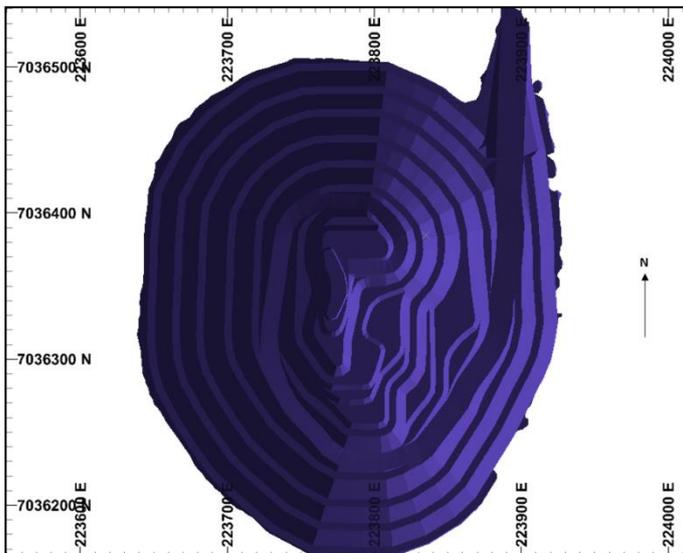


Figure 1: Matilda M10 Pit Design June 2016

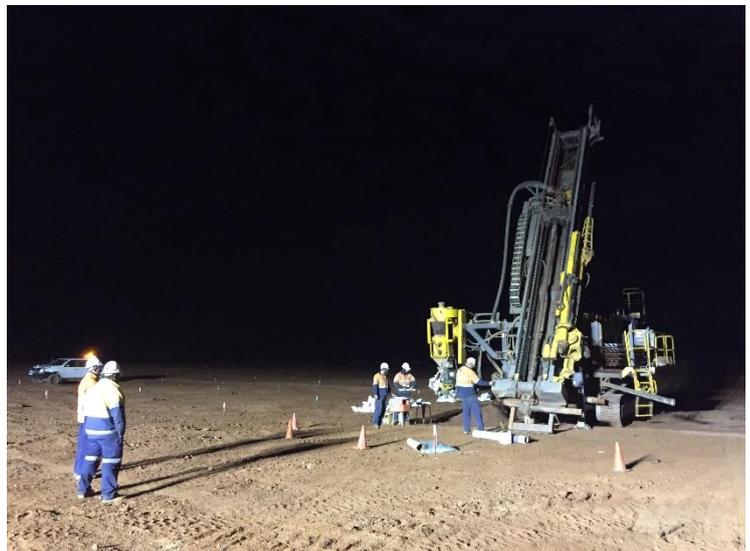


Photo 3: Matilda M10 night shift grade control

The second pit Blackham plans to mine is the main Matilda M3/M4 pit. The M3/M4 mine design cuts back a previously mined open pit. The M3/M4 pit is almost 2kms long with a final pit depth of approximately 105m. Dewatering of the M3 pit and M4 pits is well advanced.

Underground Mining Inventory & Reserves

Golden Age

Blackham has commenced underground development of the high grade Golden Age orebody. The Golden Age initial mine plan consists of **206,000 @ 5.8g/t for 38,000oz** of free milling ore which will be mined over the first 2 years and remains open both to the east and up dip. The Golden Age underground Reserve comprises 112,000t @ 6.0g/t for 21,000oz (refer to ASX release 17th June 2016). The Golden Age reef has existing access via the Bulletin decline and has mining infrastructure in place and good geotechnical conditions which has allowed easy re-entry to the mine. The average stope width is 1.5m.

The Golden Age Reserve design is illustrated in Figure 2. Surveyed as-constructed voids are shown as grey, the February 2016 Reserve design is shown in blue, and the June 2016 Reserve design is coloured green in this diagram. The 2016 drilling and upgraded resource has been successful in converting Inferred into Indicated Resources driving stopes further east.

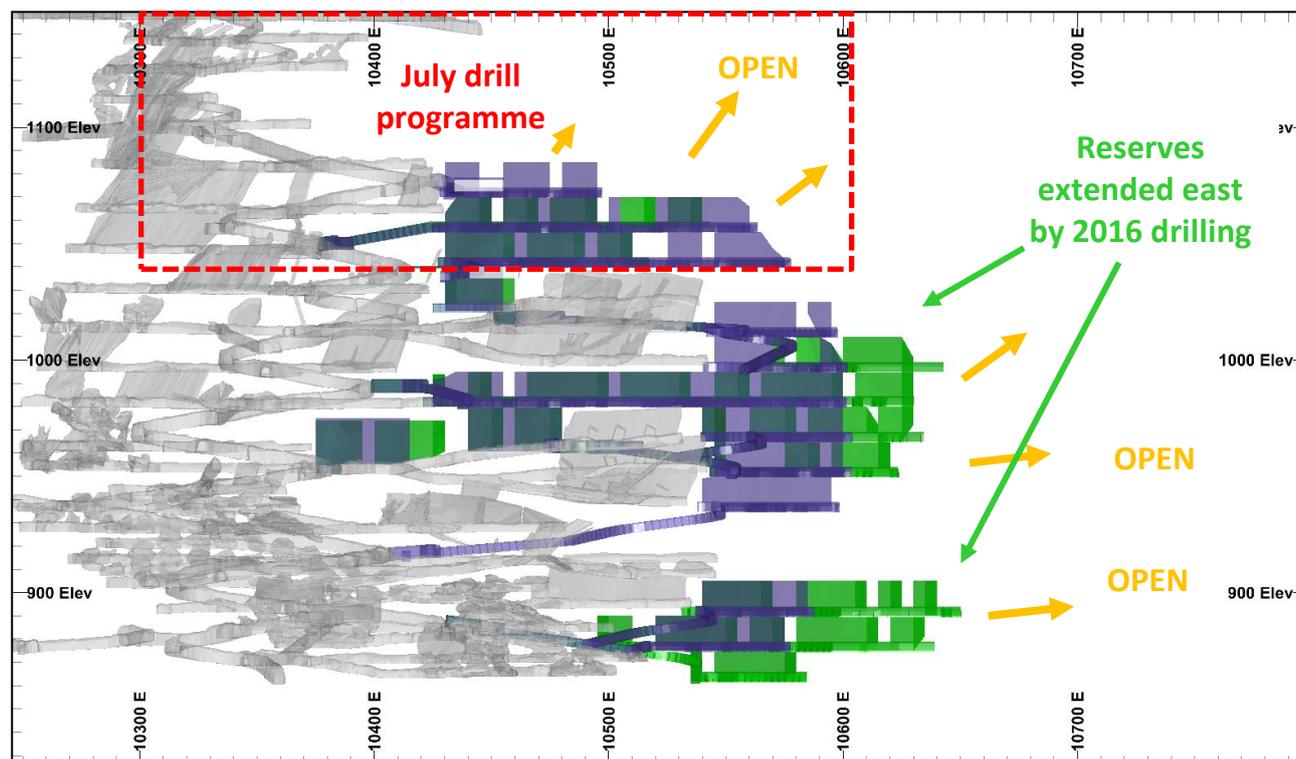


Figure 2: Golden Age Long-Section Looking North with June 2016 Reserve Estimate Design (Green) Compared to February 2016 Design (Blue).

The Blackham mining team is assessing a plan to recover remanent ore from some of the previously mined areas in grey as well as extensions. The remanent mineralisation has not been included in Resources, Inventory or Reserves but Blackham intends to recover and process this material early in the underground mine plan. Blackham has completed 18 diamond UG holes for 1,408m into the Golden Age upper extensions during July with a view to quickly adding additional ore to the mine plan.

Underground production at the Golden Age, Bulletin and East-West underground mines will be predominantly by top-down mechanised longhole open stoping with in-situ pillars retained for stability. Diesel powered trucks and loaders will be used for materials handling. Diesel-electric

jumbo drill rigs will be used for development and ground support installation, and diesel-electric longhole rigs used for production drilling. The mining methods chosen are well-known and widely used in the local mining industry and production rates and costing can be predicted with a suitable degree of accuracy. Underground stopes were designed inclusive of minimum mining width plus dilution 'skins'. Dilution width estimates were provided by independent geotechnical consultants based on historical experience, production data and surveyed voids, and geotechnical analysis. Dilution was assumed to carry no grade. Mining recovery of 95% was assumed for the stopes at all the underground operations.

Within 11 months of first entering the Wiluna underground mine Blackham has developed an **underground mine plan comprising 3.4Mt @ 5.0g/t for 549,000oz** which will be mined over the initial 7 years. The underground Reserve comprises 1.1Mt @ 5.0g/t for 250,000oz (refer to ASX release 17th June 2016). Reserve infill and extensional drilling is ongoing in the underground.

There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. However, over the last year Blackham has demonstrated a high conversion of Inferred Resources into Reserves and has 4.2Moz of resources sitting outside its mine plan that it continues to conduct mining studies on.

Golden Age Resource

Blackham was pleased to report its updated 2012 JORC Resource estimate over the Golden Age deposit of 1.3Mt @ 3.8g/t for 158,000oz Au. A breakdown of the open pit and underground resources is given below in Table 4 (refer to ASX release dated 17th June 2016). Golden Age mineralisation is free milling ore with gold mineralisation located throughout the quartz reef. There is commonly a strong base metals signature with galena, chalcopryite, sphalerite and pyrite being associated with higher grades but the gold is not bound in the sulphides as it is with the refractory ores. The mineralisation is mainly in the main quartz reef but there are some splays of quartz, especially to the footwall which can contain gold.

Golden Age surface oxide mineralisation is an extension of oxide and transitional mineralisation from the previously mined Golden Age pit. This deposit has not been included in the mine plan or Reserves but initial mining studies look positive on the deposit. The exploration team is currently planning a drill programme on the extensions of the Golden Age surface and upper deposits.

Table 4: Golden Age Resources

Deposit	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz
Golden Age Upper (UG)				460,000	3.2	50,000	460,000	3.2	50,000
Golden Age Middle (UG)	124,000	8.9	35,000	61,000	9.1	18,000	185,000	9.0	54,000
Golden Age Lower (UG)	370,000	5.5	6,000	131,000	4.5	19,000	168,000	4.8	26,000
Golden Age Surface (OP)	220,000	1.7	10,000	250,000	1.9	20,000	470,000	1.8	30,000
Total	381,000	4.2	51,000	902,000	3.7	107,000	1,283,000	3.8	158,000

This Golden Age resource has been estimated using an ordinary kriging block model with a 100g/t top cut. Bottom cuts of 0.5g/t have been used in the oxide and transition zones. Bottom cuts of 2g/t above 200m and 3g/t below 200m depths have been used for fresh rock.

To date exploration and mining studies have focused on the high grade Golden Age middle underground area where development work has now commenced. Blackham is reviewing the remanent and extensional mineralisation from the previously stoped areas in the Golden Age middle and upper areas with a view to inclusion in the mine plan.

Galaxy Open Pit Resource

The Galaxy orebody is located 13km NNW of the Wiluna Gold Plant. The revised Galaxy Indicated and Inferred Resource estimate now stands at **785,000t @ 2.7g/t for 68,000oz Au** (refer to ASX release dated 27th June 2016) of which 63% is classified as Indicated as shown in Table 5. The Galaxy quartz reef resource has been estimated using an ordinary kriging block model reported above a 0.60g/t bottom cut.

Table 5: Galaxy Resources

Deposit	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au Oz
Galaxy	427,000	3.1	42,000	358,000	2.2	25,000	785,000	2.7	68,000
Total	427,000	3.1	42,000	358,000	2.2	25,000	785,000	2.7	68,000

The Galaxy quartz reef is initially planned to be mined by open pit with Reserves totalling **338,000t @ 2.8g/t for 30,000oz** (refer to ASX release dated 17th June 2016). The Galaxy mine is a green field site with free milling ore that starts from surface and has a final pit depth of approximately 90m.

Matilda District Exploration

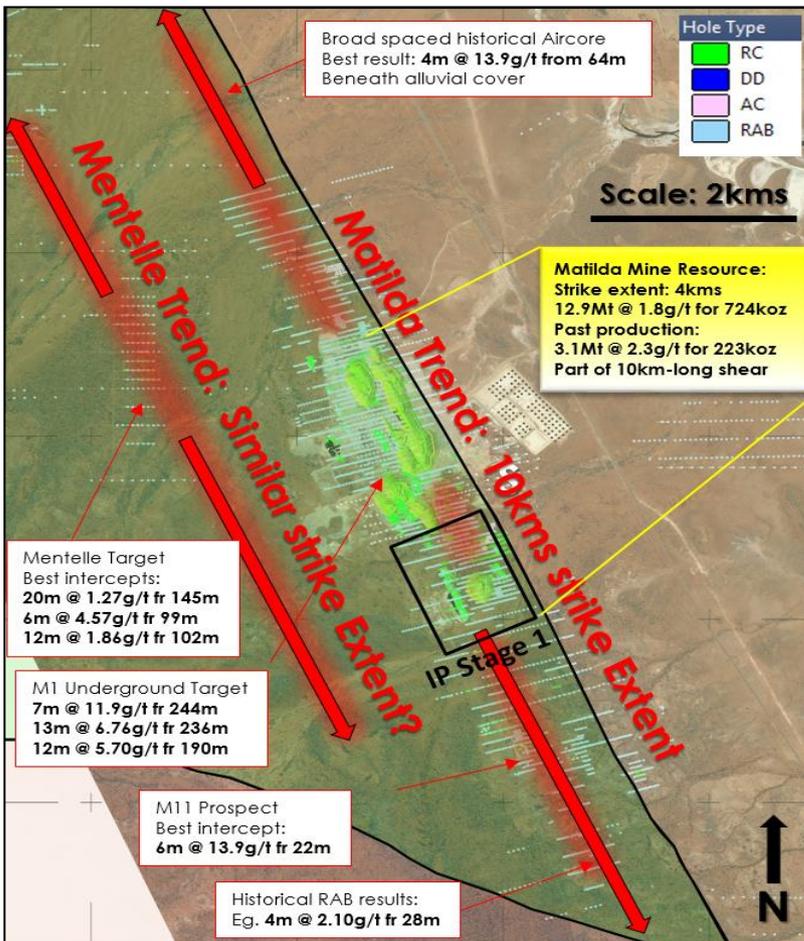


Figure 3: Matilda district-scale targets with historical intercepts along 10km of strike on the Matilda Trend

Blackham's exploration strategy is to test the full 10km-long strike extent of the Matilda shear zone to identify further Matilda-sized deposits (~1Moz). Historical drilling intercepts up to 4km along strike from the mine include **4m @ 13.9g/t** and **6m @ 13.9g/t** (Figure 3). To assist with target definition, a gradient array and dipole-dipole IP geophysical survey has commenced at Matilda to detect sulphides beneath alluvial cover north and south of the mine. Preliminary results suggest that the M6 mineralisation continues at depth to the north of the previously mined M6 pit and that there may be additional mineralised structures to the west of M6 which are yet to be drill tested. Final results and modelling of the IP data are expected in August.

Exploration during the quarter focused on drilling extensions to the Matilda open pits and holes targeting shallow mineralisation adjacent to Wiluna underground infrastructure and open pits. A total of 77 RC holes for 10,645m and two diamond tails for 374.1m were completed during the quarter. Infill and extension underground diamond drilling was also completed at the Bulletin and Golden Age orebodies with a total of 51 holes for 3,660.9m.

Matilda Extension Drilling Update

On 13th July 2016, the Company announced the latest results from resource infill and extension drilling at the Matilda Gold Project in Western Australia. The latest of 60 RC holes and 2 diamond tails intersected significant extensions to higher-grade zones and have upgraded a significant portion of the remaining in-pit Inferred to Indicated Resource category (refer to ASX release 17th June 2016).

Deeper drilling results, including **2m @ 6.98 g/t from 419m**, confirm the high-grade Matilda mineralised system extends a further 250m down-plunge of previous high-grade drill intercepts, and remains open down plunge (Figure 4). High-grade mineralisation is now known to extend to greater than 400m vertical depth.

Other successful extensions to higher grade shoots at M3, M4 & M10 pits included:

- 4m @ 7.94 g/t from 69m and 3m @ 9.44 g/t from 104m (MARC0433) M10
- 4m @ 5.75 g/t from 6m (MARC0439) M10
- 5m @ 2.94 g/t from 37m and 2m @ 6.35 g/t from 82m (MARC0435) M10
- 9m @ 3.05 g/t from 133m, incl 2m @ 6.57 g/t from 137m (MARC0469) M3
- 16m @ 2.31 g/t from 163m, incl 1m @ 11.5 g/t from 163m (MARC0465) M4

M6 extensions have also confirmed the mining potential of a new resource area with an intercept of **12m @ 2.98 g/t from 42m** in MARC0459.

Previously, Matilda deposits had been tested to only 300m below surface; these results demonstrate that Matilda is a large mineralised system which remains open at depth and, significantly, shows longer term potential for underground mining. Follow up drilling is planned to test the plunging shoots at depth.

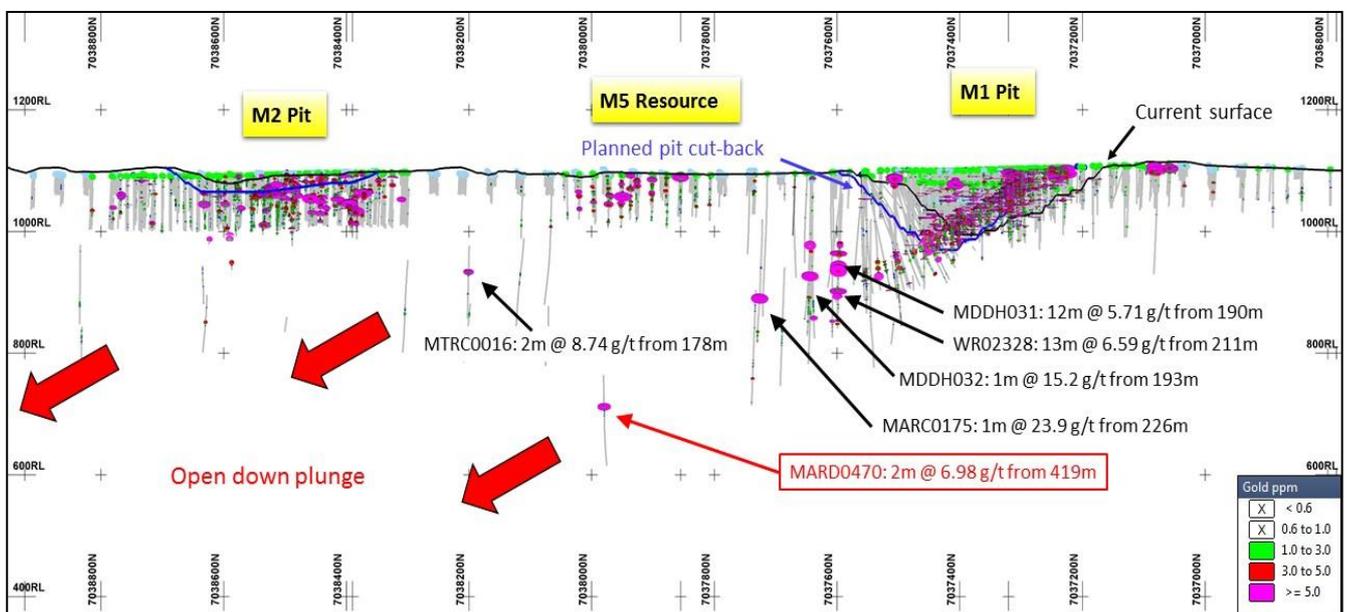


Figure 4: Long section looking east through Matilda showing high-grade zones extending a further 250m down-plunge of M1.

Successful Essex Drilling looks favourable for open pit and underground mining

On 1st July 2016, Blackham announced the latest results received from extension drilling at the Essex deposit. Highlights included:

- Successful extensions to high grade shoots at the Essex deposit:
 - 6m @ 3.47g/t Au from 104m,
6m @ 8.99g/t Au from 119m,
19m @ 6.71g/t Au from 128m and
18m @ 4.88g/t from 181m WURC0009
 - 5m @ 10.8g/t Au from 134m WURC0008
- Mineralisation is within 30m of existing underground access

Essex is typical Wiluna style shear hosted sulphide mineralisation. Historical drilling has returned broad high grade intercepts which remain open along strike and down dip including **16m @ 19.1g/t Au** and **12m @ 12.1g/t Au**. A program of three RC holes has been completed targeting extensions of mineralisation in close proximity to existing infrastructure (Figure 5 and Figure 6).

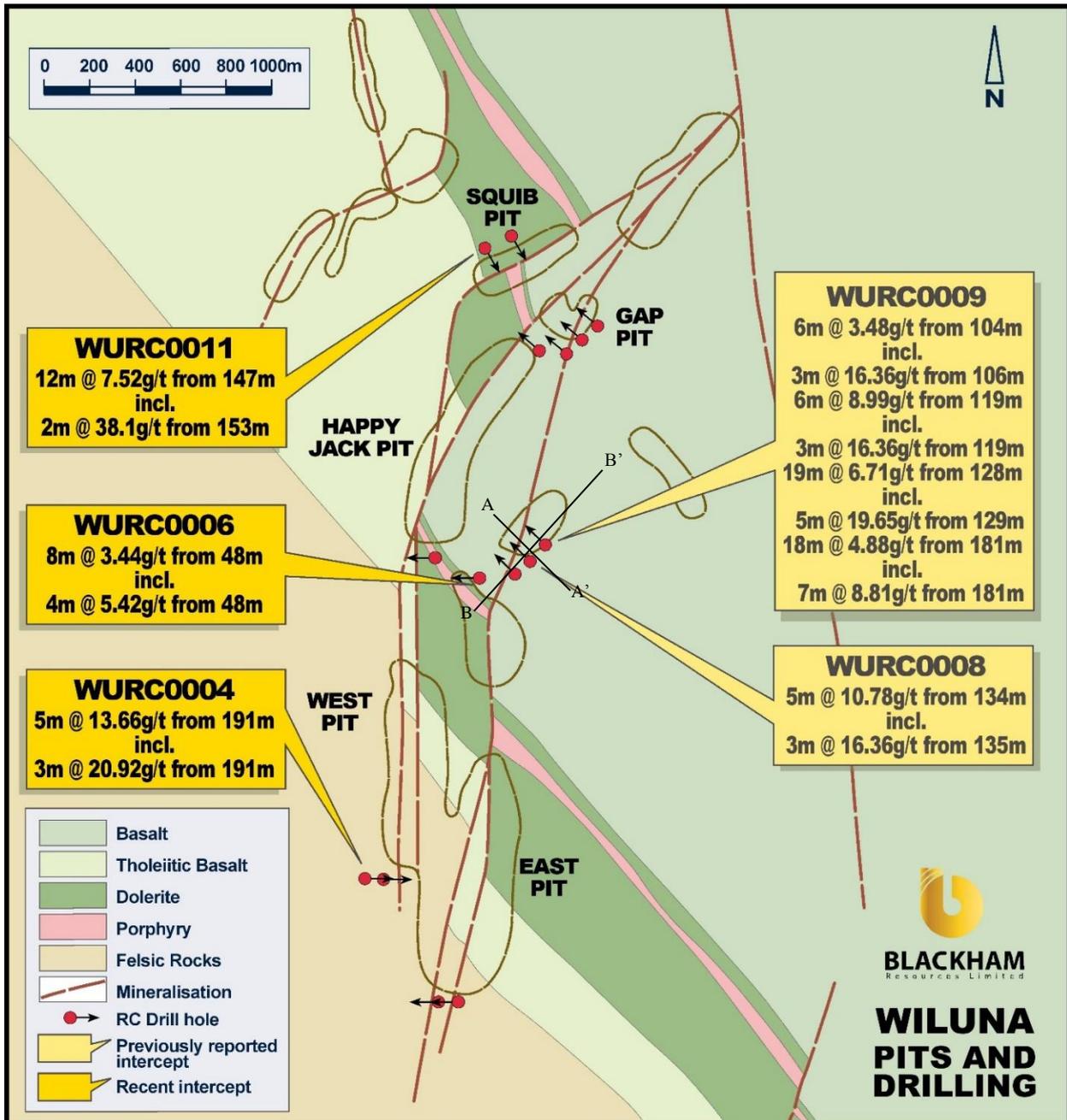


Figure 5: Collar plan showing locations of Essex RC holes, the cross section A-A' (Figure 8)

Exceptional results have been received from two holes (WURC0008 and WURC0009) in a number of lodes within a southerly plunging zone. WURC0009 (Figures 5 and 6) intersected **6m @ 3.47g/t Au** from 104m (including **3m @ 16.4g/t Au**), **6m @ 8.99g/t Au** from 119m (including **3m @ 16.4g/t**

Au), **19m @ 6.71g/t Au** from 128m (including **5m @ 19.7g/t Au**) and **18m @ 4.88g/t Au** from 181m (including **7m @ 8.81g/t Au**) and WURC0008 intersected **5m @ 10.8g/t Au** from 134m (including **3m @ 16.4g/t Au**) (Figure 5). The third hole, (WURC0007), intersected the Essex structure above the southerly plunging shoot and did not intersect significant mineralisation.

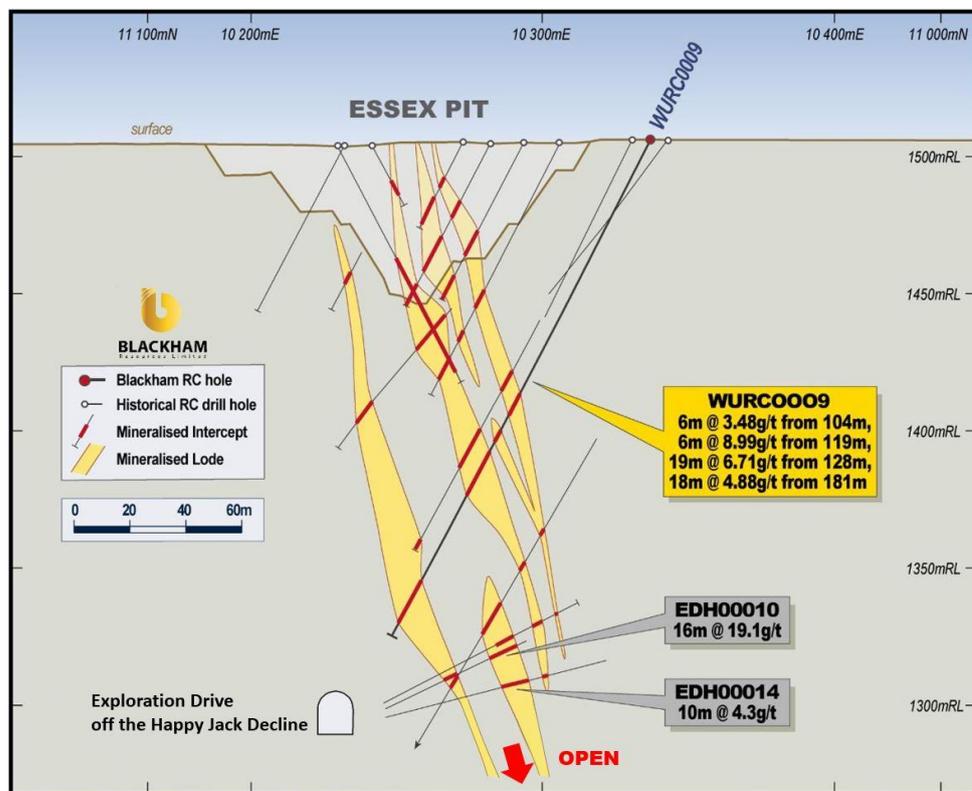


Figure 6: Cross section A-A' at Essex. Drill intercepts included in this report are shown in yellow text box

The underground development is accessed via the Happy Jack decline and an exploration drill drive to within 30m of the high grade mineralisation. This drill drive was used to drill the historical holes EDH00010 **16m @ 19.1g/t Au** and EDH00014 **10m @ 4.3g/t Au** (Figure 6) however these holes have never been followed up.

The mineralisation is currently being re-modelled and shows both underground and open pit mining potential.

High Grade Wiluna Intercept Results

On 18th July 2016, the Company also announced the final assay results from an extension drilling program at the Matilda Gold Project. A total of 17 RC holes for 4,067m were completed targeting extensions to mineralisation at the Wiluna Gold Mine. Holes were designed to test areas within 150m of existing open pits and underground development to ensure that any extensions to mineralisation can be rapidly converted to resources.

Drilling returned outstanding results from the West Lode, Squib and Happy Jack deposits. Intercepts include **5m @ 13.7g/t Au** from 191m including **3m @ 20.9g/t Au** in WURC0004, **8m @ 3.44g/t Au** from 48m including **4m @ 5.42g/t Au** in WURC0006 and **12m @ 7.52g/t Au** from 147m including 2m @ 38.1g/t Au in WURC0011.

New Wiluna Moonlight Shear Resources

On 27th June 2016, Blackham announced its maiden Indicated and Inferred Resource estimate for the Moonlight Shear of **2.6Mt @ 4.6g/t for 381,000oz Au** (10% Indicated) and has commenced open pit and underground mining studies on the deposit (Figure 7). The under explored Moonlight Shear Zone is located less than two kilometres from the Wiluna gold plant. Previously a resource of only 55,000oz for a portion of the Lonehand Lode had been reported.

Pre-1950 production at Moonlight was 770,000t @ 10.4g/t Au (257,464oz) primarily from stoping of sulphide ore but also includes oxide material from open pit mining. Recent (post 1986) open pit mining from Adelaide, Indigo, Moonlight and Lonehand produced 496,466t @ 3.14g/t Au (50,062oz).

Further mining and exploration studies will focus on identifying shallow oxide and transitional resources along strike of the existing open pits where the mineralisation continues along the shear zones. The open pit potential in this area has not been reviewed since mining ceased in the late 1980's. The initial resource has also identified significant areas that may be amenable to underground mining.

Table 6: Moonlight Shear Resources

Total: Oxide at 0.6g/t - Trans 1.0g/t - Fresh 3.0g/t									
Area	Indicated			Inferred			Total		
	Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz
Adelaide	145,602	3.27	15,313	435,342	4.21	58,975	580,944	3.98	74,287
Indigo	13,682	2.14	940	37,693	3.75	4,539	51,375	3.32	5,479
Lonehand	75,441	5.31	12,886	795,679	5.52	141,239	871,120	5.50	154,125
Moonlight	55,062	3.64	6,435	1,015,333	4.27	139,316	1,070,395	4.24	145,752
Semaphore	21,207	1.82	1,244	744	1.07	26	21,951	1.80	1,269
Total	310,994	3.68	36,818	2,284,791	4.68	344,094	2,595,785	4.56	380,912

The Moonlight Shear Resource has been reported with a 0.6g/t bottom cut for the oxide zone, a 1.0g/t bottom cut for the transitional zone and a 3.0g/t bottom cut for fresh rock. The Moonlight Shear Resource estimate was completed by a full-time Blackham Resources employee using Ordinary Kriging.

Wiluna Open Pit Mining Studies

Open pit mining at Wiluna generally ceased in the mid 1990's when focus shifted to mining high-grade underground deposits. Following the finalisation of the resources over the Moonlight shear, Blackham has begun open pit optimisation studies over the entire Wiluna Mine which suggest significant resources remain that may be profitably exploited. A\$1,400/oz optimised pit crests are shown in Figure 8. The average diluted grade of these pit optimisations average 3.7g/t and ranges from 1.9g/t to 6.1g/t.

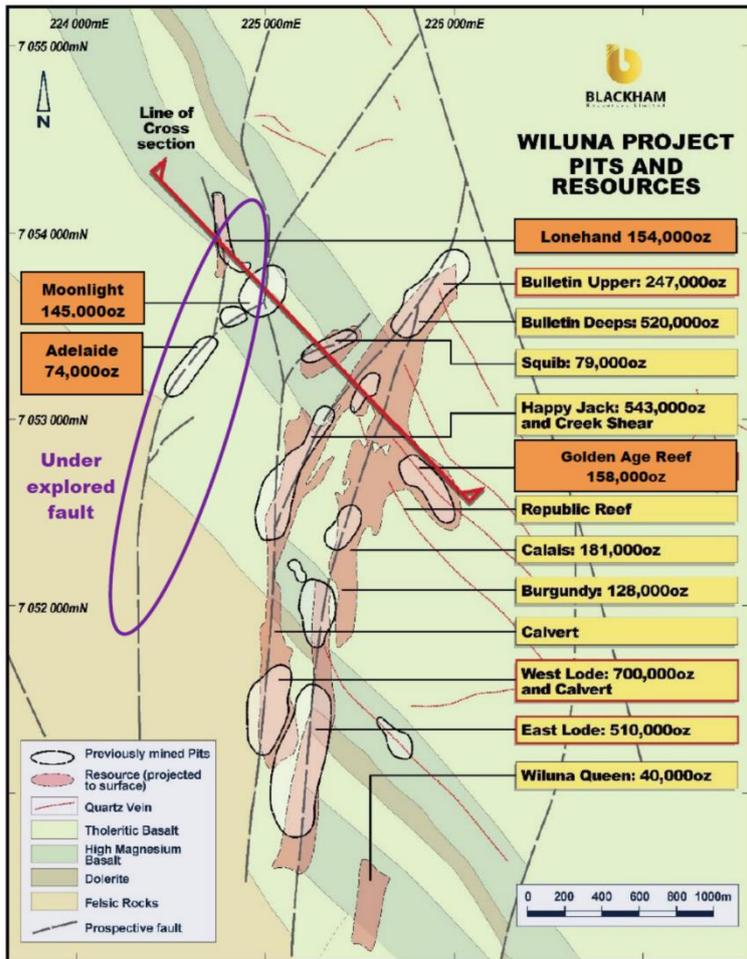


Figure 7: Wiluna Resources

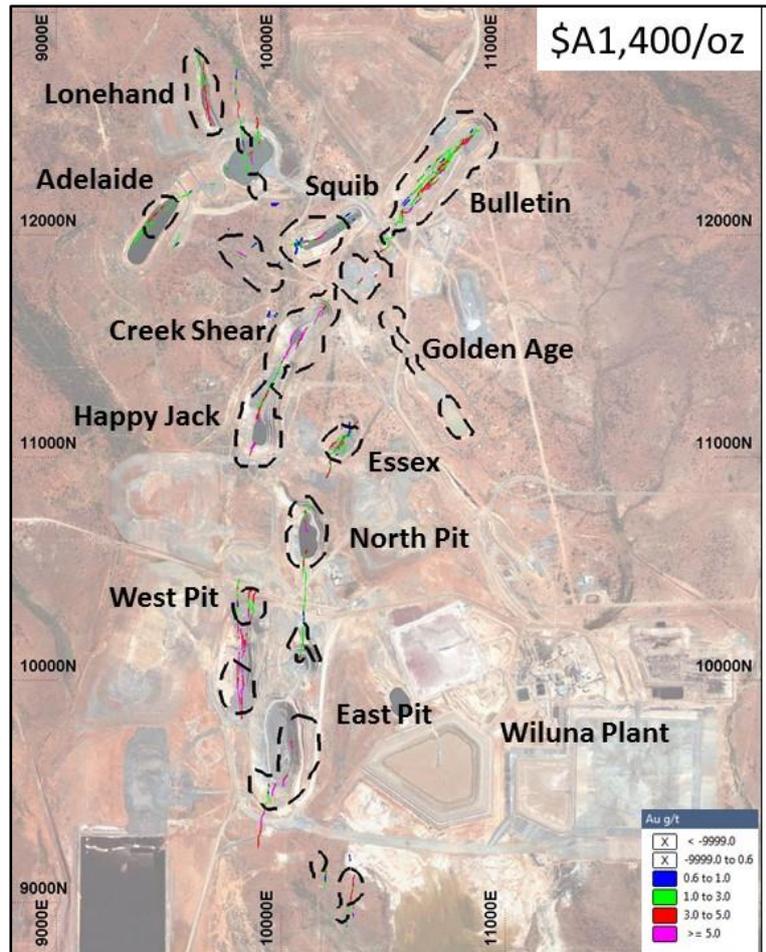


Figure 8: Initial Wiluna Open Pit Mining Optimisations at A\$1,400/oz gold price

Follow up drilling is currently being planned to fully test the extensions of the optimised pits. These new results will be incorporated into the ongoing open pit and underground mining studies.

Operations

On 28th June 2016, following the granting of the final approvals to commence its operations at the Matilda Gold Project, Blackham awarded contracts for mining, tailings dam construction and the power station. Following a rigorous tendering process, Blackham selected the preferred contractors to ensure operations commence as planned.

Both MACA Limited (open pit mining contractor) and Pybar Mining Services (underground mining contractor) began mobilising to site in late June 2016. At the date of this report, the Company is pleased to announce that mining has commenced at Matilda in line with the current mine plan. Pybar Mining Services Ltd has also commenced underground development at the high grade golden Age orebody.



Photo 4: Pybar jumbo at work in Golden Age Pump Station

Wiluna Plant & Infrastructure Refurbishment

The Wiluna Gold Plant refurbishment is being undertaken by Interquip as the Structural, Mechanical and Piping (SMP) contractor and continues to run to schedule.



Photo 5: Wiluna Gold Plant under refurbishment

During the quarter, the following progress was made on the SMP contract:

- Primary, secondary and tertiary crushers refurbished and re-installed
- Mill 1 apron feeder arrived on site
- Mill 2 discharge system refurbished
- New Mill 2 girth gear and pinion installed
- On-going construction of new leach tank
- On-going refurbishment work on leach and adsorption tanks



Photo 6: Mill 2 girth gear installed



Photo 7: Welding new leach tank



Photo 8: New Diesel Power Station

Practon Engineering as the Electrical & Instrumentation (“E & I”) contractor have been working on the E & I over the last 8 months and the contract runs efficiently and timely.

Cape Crushing and Earthworks were awarded the Tailings Dam construction contract and are well advanced on the construction.

The power station BOOT contract was awarded to Contract Power Group who are currently installing new diesel power. New diesel power shed construction largely complete with new diesel engines in-place. New gas gensets have been ordered and will arrive during the December quarter.

The Company also committed to the refurbishment of the Matilda camp via a village refurbishment and village management contract with Catercare. The refurbishment of the village is well advanced with 280 rooms available.

Corporate

At the end of the quarter and financial year, the Company was well funded with had \$31.9 million in cash. The Company has \$28.9 million in debt (including accrued interest) and another \$8 million in undrawn debt facility.

A hedge facility for 20,000oz of gold forward sales was finalised on 2 May with a forward price of \$1701 for delivery 2 August 2016. Now that the Company is mining it intends to roll these forwards out over the first 5 months production.

During the quarter Canaccord Genuity and Sophisticated Investor updated their analyst reports on Blackham which can be found at <http://blackhamresources.com.au/>.

Blackham now has a market cap over A\$208 million and is rapidly moving forward with first gold pour on target of late August/early September 2016. The Company's enterprise value is \$40/resource ounce.

For further information on Blackham please contact:

Bryan Dixon
 Managing Director
 Blackham Resources Limited
 Office: +618 9322 6418

Tony Dawe
 Professional Public Relations
 Office: +618 9388 0944

Gold Resources

The Matilda Gold Project now has **48Mt @ 3.3g/t for 5.1Moz** (48% indicated) of resource all within a 20 kilometres radius of Blackham's 100% owned Wiluna gold plant capable of processing up to 1.7Mtpa for over 100,000ozpa gold production per annum. Measured and indicated resources now total **22Mt @ 3.4g/t for 2.4Moz** (refer to Blackham ASX release dated 27 June 2016).

Table 7: Matilda Gold Project Resource Summary

Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda Mine	0.2	2.1	13	7.8	1.8	447	5.1	1.6	261	13.1	1.7	721
Golden Age				0.4	4.5	51	0.9	3.7	107	1.3	3.8	158
Galaxy				0.4	3.1	42	0.4	2.2	25	0.8	2.7	68
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	360
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	271
Bulletin Upper				0.9	4.2	120	0.7	5.5	130	1.6	4.8	250
Henry 5 - Woodley - Bulletin Deeps				2.1	5.9	400	0.8	4.6	120	2.9	5.6	520
Happy Jack - Creek Shear Upper				0.1	2.2	7	0.4	3.2	46	0.5	3.0	53
Happy Jack - Creek Shear Lower				1.5	5.9	290	1.3	4.8	200	2.9	5.4	490
East Lode				1.0	5.2	170	2.3	4.7	340	3.3	4.8	510
West Lode				1.4	5.5	240	2.8	5.2	460	4.2	5.3	700
Burgundy - Calais				1.3	6.0	250	0.3	5.7	60	1.6	6.0	310
Moonlight Shear				0.3	3.6	36	2.3	4.7	345	2.6	4.6	381
Other Wiluna Deposits				1.1	4.4	152	1.4	3.5	153	2.5	3.9	305
Total	0.2	2.1	13	22	3.4	2,436	26	3.2	2,647	48	3.3	5,097

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. The figures in the above table are rounded to two significant figures to reflect the relative uncertainty of the estimate.

Competent Persons Statement

The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda Gold Project is based on information compiled or reviewed by Mr Bruce Kendall, who is a full-time employee of the Company. Mr Kendall is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kendall has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information contained in the report that relates to all other Mineral Resources is based on information compiled or reviewed by Mr Marcus Osiejak, who is a full-time employee of the Company. Mr Osiejak, is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Osiejak has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

With regard to the Matilda Gold Project Mineral Resources, the Company is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates as reported in the market announcements dated 14 March 2016, 17 June 2016 and 27 June 2016 continue to apply and have not materially changed.

The information contained in the report that relates to Ore Reserves at the Matilda Gold Project is based on information compiled or reviewed by Matthew Keenan. Mr Keenan confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. Mr Keenan is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee working for Entech Pty Ltd having been engaged by Blackham Resources Ltd to prepare the documentation for the Matilda Gold Project on which the Report is based, for the period ended 13 June 2016. He disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Keenan verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

Forward Looking Statements

This announcement includes certain statements that may be deemed 'forward-looking statements'. All statements that refer to any future production, resources or reserves, exploration results and events or production that Blackham Resources Ltd expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Blackham Resources Limited
Schedule of Mineral Tenements and Rights at 30 June 2016

Project	Tenement	Interest held by Blackham
Scaddan	M63/192 to M63/194	100%
Scaddan	E63/521	100%
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202 to E63/1203	100%
Scaddan	E63/1734	100%
Scaddan	E74/0561	100%
Zanthus	E69/2506	20% of basement rights. 100% above basement.
Matilda	E53/1290	100%
Matilda	E53/1297	100%
Matilda	E53/1806	100%
Matilda	L53/0030	100%
Matilda	L53/0051	100%
Matilda	L53/0053	100%
Matilda	L53/0140	100%
Matilda	L53/0202	100%
Matilda	M53/0024 to M53/0025	100%
Matilda	M53/0034	100%
Matilda	M53/0041	100%
Matilda	M53/0052 to M53/0054	100%
Matilda	M53/0092	100%
Matilda	M53/0129	100%
Matilda	M53/0130 to M53/0131	100%
Matilda	M53/0139	100%
Matilda	M53/0188	100%
Matilda	M53/0415	100%
Matilda	M53/0797 to M53/0798	100%
Matilda	M53/0955	100%
Matilda	R53/0001	100%
Matilda	E53/1644	100%
Matilda	P53/1559 to P53/1560	100%
Matilda	P53/1562	100%
Wiluna	L53/0020 to L53/0024	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0062	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%
Wiluna	M53/0006	100%
Wiluna	M53/0026 to M53/0027	100%
Wiluna	M53/0030	97.9%
Wiluna	M53/0032	100%
Wiluna	M53/0040	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0050	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0095 to M53/0096	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0468	100%
Wiluna	E53/1645	100%
Wiluna	E53/1862	100%
Matilda	E53/1287 to E53/1288	100% gold and base metals
Matilda	M53/0045	100% gold and base metals
Matilda	M53/0049	100% gold and base metals
Matilda	M53/0113	100% gold and base metals
Matilda	M53/0121 to M53/0123	100% gold and base metals

Matilda	M53/0147	100% gold and base metals
Matilda	M53/0224	100% gold and base metals
Matilda	M53/0253	100% gold and base metals
Matilda	M53/0796	100% gold and base metals
Matilda	M53/0910	100% gold and base metals
Matilda	P53/1359 to P53/1360	100% gold and base metals
Matilda	P53/1369 to P53/1370	100% gold and base metals
Matilda	P53/1372	100% gold and base metals
Matilda	P53/1396 to P53/1397	100% gold and base metals
Matilda	P53/1637	100%

P - Prospecting Licence, R – Retention Licence, L – Miscellaneous, E - Exploration Licence & M - Mining Licence
All tenements are located in Western Australia

Any changes in mining tenement interests during the quarter are covered in Section 6 of the June'16 Appendix 5B.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BLACKHAM RESOURCES LIMITED

ABN

18 119 887 606

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	367
1.2 Payments for		
(a) exploration and evaluation	(3,619)	(12,960)
(b) development	(4,860)	(5,382)
(c) production	-	-
(d) administration	(654)	(2,291)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	135	232
1.5 Interest and other costs of finance paid	(46)	(63)
1.6 Income taxes paid		
1.7 Other	137	137
Net Operating Cash Flows	(8,907)	(19,960)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(800)	(800)
(b)equity investments	-	-
(c)other fixed assets	(450)	(539)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	5
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Put option premium	-	(1,000)
Net investing cash flows	(1,250)	(2,334)
1.13 Total operating and investing cash flows (carried forward)	(10,157)	(22,294)

1.13	Total operating and investing cash flows (brought forward)	(10,157)	(22,294)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,090	25,220
1.15	Proceeds from borrowings	15,000	22,000
1.16	Proceeds from convertible notes	-	-
1.17	Cost of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other		
	- Borrowing costs	(50)	(368)
	- Proceeds from finance lease	306	345
	- Finance lease payments	(27)	(28)
	- Share issue costs	(111)	(1,246)
Net financing cash flows		17,208	45,923
Net increase (decrease) in cash held		7,051	23,629
1.20	Cash at beginning of quarter/year to date	24,891	8,313
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	31,942	31,942

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	172
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 includes director's fees and salaries for executive and non-executive directors and payments to related parties.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

\$15m first tranche drawdown of finance facility

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	36,000	28,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,250
4.2 Development	21,500
4.3 Production	7,500
4.4 Administration	810
Total	33,060

* Production cash outflows will be funded by gold sales

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,442	2,891
5.2 Deposits at call	25,500	22,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	31,942	24,891

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P53/1371		100%	0%
	P53/1373		100%	0%
	P53/1374		100%	0%
	E53/1296		100%	0%
6.2 Interests in mining tenements acquired or increased	P53/1862	Wiluna	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference ⁺ securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	255,342,103	255,342,103		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	200,000	200,000	\$0.298 (Options)	Fully paid
	3,000,000	3,000,000	\$0.213 (Options)	Fully paid
	750,000	750,000	\$0.270 (Options)	Fully paid
	2,000,000	2,000,000	Conversion of performance rights	Fully paid
	75,000	75,000	\$0.815 (deemed)	Fully paid
(b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

	<u>Options</u>		<u>Exercise price</u>	<u>Expiry date</u>
7.7 Options and Performance Rights (description and conversion factor)	150,000	-	\$0.214	31 July 2016
	2,500,000	-	\$0.298	29 May 2017
	400,000	-	\$0.298	1 June 2017
	295,000	-	\$0.250	24 June 2017
	100,000	-	\$0.300	24 June 2017
	1,000,000	-	\$0.230	1 September 2016
	1,000,000	-	\$0.300	1 September 2017
	200,000	-	\$0.122	9 November 2016
	2,000,000	-	\$0.500	14 December 2017
	1,000,000	-	\$0.200	3 February 2017
	1,000,000	-	\$0.300	3 February 2018
	16,666,667	-	\$0.180	31 December 2017
	1,770,000	-	\$0.256	13 October 2017
	500,000	-	\$0.200	13 October 2017
	700,000	-	\$0.256	31 December 2017
	500,000	-	\$0.256	6 December 2017
	175,000	-	\$0.380	8 February 2019
	175,000	-	\$0.463	8 February 2019
	500,000	-	\$0.465	8 February 2018
	3,000,000	-	\$0.350	20 March 2018
175,000	-	\$0.910	3 July 2019	
	<u>Performance Rights</u>			
	5,500,000	-		31 December 2017
	500,000	-		31 December 2017
	500,000	-		31 December 2017
7.8 Issued during quarter	<u>Options</u>			
	175,000	-	\$0.910	3 July 2019
7.9 Exercised/converted during quarter	<u>Options</u>			
	200,000	-	\$0.298	1 June 2017
	3,000,000	-	\$0.213	5 June 2016
	750,000	-	\$0.27	1 June 2016
	<u>Performance Rights</u>			
	2,000,000	-	NA	31 December 2017
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Mike Robbins
(Company Secretary)

Date: 22 July 2016

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.